



FY2012 Performance and Accountability Report

**Montgomery County
Department of Economic Development**





Montgomery County Department of Economic Development FY2012 Performance and Accountability Report



DED Alignment to County Priority Objectives

Montgomery County Priority Objectives

- **A Responsive and Accountable Government**
 - Affordable Housing in an Inclusive Community
 - An Effective and Efficient Transportation Network
 - Children Prepared to Live and Learn
- **Healthy and Sustainable Communities**
 - Safe Streets and Secure Neighborhoods
- **A Strong and Vibrant Economy**
- **Vital Living for All of Our Residents**

DED Headline Performance Dashboard

<u>Headline Performance Measure</u>	<u>FY12 Results</u>	<u>FY11 Results</u>	<u>Performance Change</u>
Jobs Retained	9,891	3,637	
Jobs created by existing business expansion within three years of DED involvement	709	362	
Jobs created by new business attraction within three years of DED involvement	758	194	
Total new capital investment by businesses currently located in the County through DED involvement (in millions)	\$380M	\$74M	
Total new capital investment by newly attracted businesses and start-up businesses through DED involvement (in millions)	\$141M	\$5M	
New commercial space occupied by businesses currently located in the County through DED involvement (sq. feet)	368,580 sq feet	756,187 sq feet	
New commercial space occupied by newly attracted and start-up businesses through DED involvement (sq. feet)	316,457 sq feet	28,484 sq feet	
Percent of participants satisfied with DED sponsored technical assistance and training programs	94%	97%	



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DED At A Glance

What Department Does and for Whom

The mission of the Department of Economic Development (DED) is to make Montgomery County a globally competitive and highly diversified knowledge-based economy that provides for the retention and growth of existing companies, stimulates new job creation, and enhances entrepreneurial opportunities.

Marketing & Business Development promotes assets and opportunities in the county for domestic and foreign businesses; provides services to create new jobs & businesses, retains, attracts and grows existing businesses; strengthens key industry clusters; operates the incubator program.

Business Empowerment provides a variety of programs and services to the county's small and minority business community through creative initiatives and partnerships. Provides trainings, mentorship, assists small businesses with their compliance with county policies and regulations.

Workforce Services operates One-Stop career system to provide career assessment, job readiness, job training, and job placement services to job seekers. Provides recruitment assistance to businesses. The Workforce Investment Board provides policy oversight and guidance for workforce development activities.

How Much / How Many

- Total Operating Budget: \$ 2,757,720
- Total 32 positions and 26.5 workyears.
- Additional 5.5 workyears charged to other funds (EDF, Ag CIP, and Conference Center)
- \$1.73 million in operating budget supports the operation of five Business Incubator Centers.
- Administers the Economic Development Fund.

- Operating Budget: \$579,862
- Personnel Budget: \$545,559
- 5 positions (5 workyears)
- Companies assisted: 160
- Jobs created: 1,467; Jobs retained: 9,891
- Number of business attractions: 15
- Total new capital investment by attracted and expanded businesses: \$521 million.

- Operating Budget: \$65,800
- Personnel Budget: \$993,914
- 7 positions (7 workyears)
- Number of technical assistance events and training sessions: 80
- Number of participants: 1,939
- Satisfaction rate: 94%
- Primary focus of expanding the LSBRP and MFD programs.

- Operating Budget: \$87,283
- Personnel Budget: \$338,314
- 3 positions (3 workyears)
- Number of job seekers placed: 4,898 (CY12)
- Number of businesses served: 592 (FY12)
- Number of employer recruitments: 72 (FY12)
- Number of job fairs: 7 (FY12)
- \$425,597 in county funds leverages \$2.33 million federal grants for Workforce Services.



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DED At A Glance (cont.)

What Department Does and for Whom

Agricultural Services promotes agriculture as a viable component of the County's economy and preserves farmland as a resource for future agricultural production capabilities. Co-sponsors farmers' markets, an annual farm tour, and other activities. Provides farmers with zoning and master plan technical assistance and coordinates the County's Weed Control and Deer Donation.

Special Projects administers public-private partnership programs, capital projects, legislative activities, strategic planning and program development. Builds programmatic relationships with academic institutions and federal agencies. Oversees the SGLSC, East County LifeSci Village and manages Conference Center NDA. Conducts GSA related events.

Finance and Administration manages all administrative functions - fiscal, procurement, grant applications and monitoring, IT, human resources allocation and management, market research and data analysis, operating and capital improvement budgets. Administers four financing programs under the Economic Development Fund.

How Much / How Many

- Operating Budget: \$191,721
- Personnel Budget: \$302,502
- 7 positions (3.5 workyears)
- Acres of land under easement inspected: 5,000.

- Operating Budget: \$22,200
- Personnel Budget: \$510,631
- 4 positions (3 workyears)

- Operating Budget: \$1,810,854
- Personnel Budget: \$541,670
- 5 positions (4 workyears)

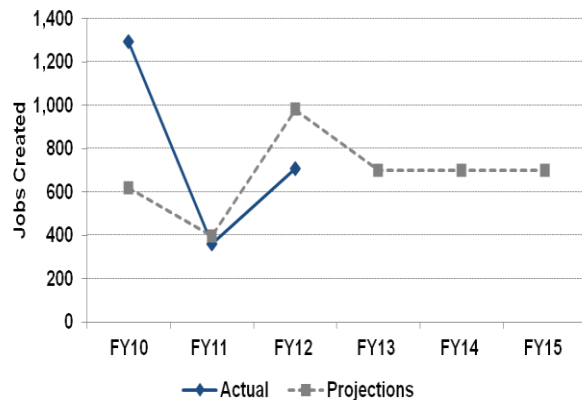


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Headline Performance Measure 1: Jobs Created by Existing Business Expansions through DED Involvement

Performance Trends



	FY10	FY11	FY12	FY13	FY14	FY15
Actual	1,295	362	709			
Projections	620	396	981	700	700	700

Factors Contributing to Current Performance

- Abundance of business resources and proactive business organizations
- Availability of incentive programs
- Improvement in service delivery to business community
- Timely and varied business assistance

Factors Restricting Performance Improvement

- Economic condition of the country
- High cost of living and state tax structure for businesses
- Competitiveness of region's other jurisdictions in attracting businesses
- Limited staff capability to handle prospects

Performance Improvement Plan

- Improve strategic accounts (top employers, expiring leases, fastest growing, award-winning) management through relationship development and project support with documentation of interactions.
- Maintain a comprehensive database of County companies.
- Develop and implement a business appreciation program with multiple segments (web, e-blasts, recognition events, milestone acknowledgment)
- Develop and implement a strategy to enhance technology transfer from County R&D facilities to the business community through partnerships with organizations such as the Technology Development Corporation of Maryland and Federal Labs Consortium, BioHelath Initiative.
- Conduct regular (quarterly) prospect/project meetings with Park and Planning Commission, DHCA, DPS, and Regional Services Center to identify significant prospect activities and provide unified and seamless support services to complete the prospect/project transactions.
- Prudently use the Executive Regulation on Strategic Economic Development Project to deliver improved client services.

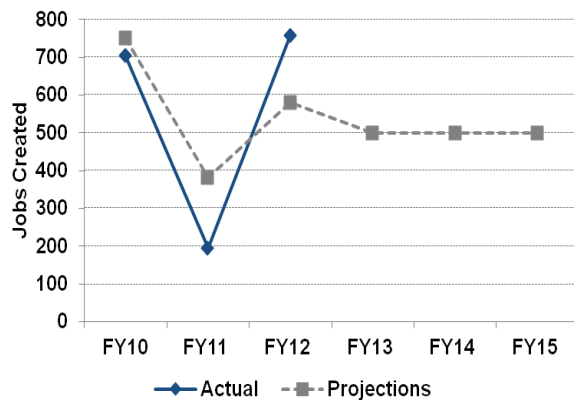


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Headline Performance Measure 2: Jobs Created by New Business Attraction through DED Involvement (by Industry)

Performance Trends



	FY10	FY11	FY12	FY13	FY14	FY15
Actual	704	194	758			
Projections	752	381	581	500	500	500

Factors Contributing to Current Performance

- Location advantages and high quality of life in the county
- Targeted attraction activities and marketing
- Emphasis on attraction of foreign direct investments

Factors Restricting Performance Improvement

- Limited marketing funds
- Scarcity of seed funding for early stage companies
- Lack of staff resources to court and carry prospects long-term
- Limited marketing funds

Performance Improvement Plan

- In the process of developing partnerships with federal laboratory groups and state/federal programs to enhance business opportunities for technology transfer and innovation in the women and minority-owned business communities.
- Work with the newly formed Montgomery Business Development Corporation and BioHealth Initiative in aggressively marketing Montgomery County and its assets to diverse business centers to attract relocation interest.
- In the process of creating comprehensive prospect guide books (domestic and international version) for targeted industry sectors demonstrating that County's location advantages, abundance of resources, and easy access to highly educated workforce out weights real and perceived higher costs and longer process of doing business in Montgomery County.
- Resume 2 -3 international trade missions per year to attract FDI and foreign prospects.
- Establish a formal working relationship with the national Venture Capital Institute to create a referral and matchmaking network to assist County's advanced technology and life sciences companies seeking growth capital

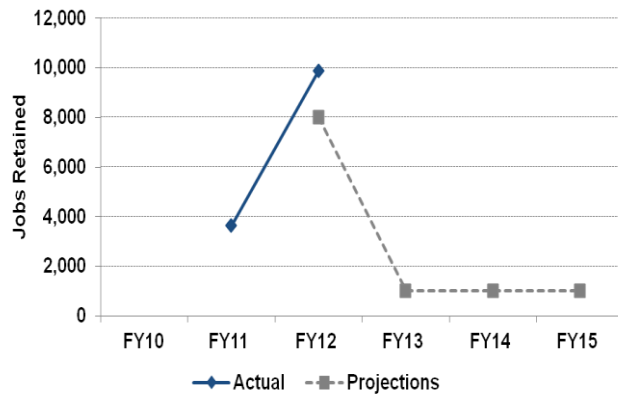


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Headline Performance Measure 3: Jobs Retained (location decision, lease renewals) through DED Involvement

Performance Trends



	FY10	FY11	FY12	FY13	FY14	FY15
Actual	N/A	3,637	9,891			
Projections			8,000	1,000	1,000	1,000

***Note:** Job retention data were not collected prior to FY11.

Factors Contributing to Current Performance

- Consistent work with federal agencies
- Marketing of the county to the GSA
- Proactive approach to companies' needs
- Regular monitoring of expiring leases

Factors Restricting Performance Improvement

- Competition with other jurisdictions
- Lack of staff resources to identify prospects early on

Performance Improvement Plan

- Currently building a directory of point staff in all governing agencies that can trouble shoot business related issues.
- Strengthen business organizations
- Communicate regularly with the local business community
- Monitor and influence federal leasing requirements
- Consistently reach out to major/strategic employers

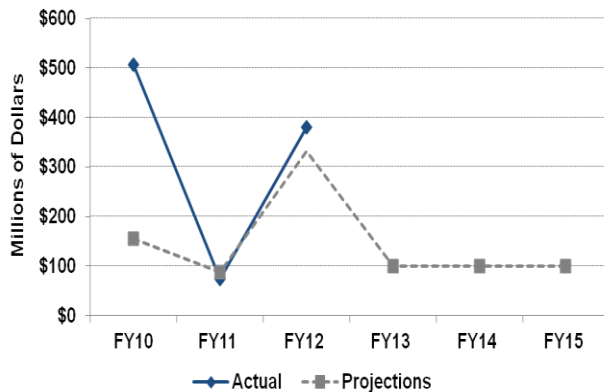


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Headline Performance Measure 4: Total New Capital Investment by Business Expansions through DED Involvement (in millions)

Performance Trends



	FY10	FY11	FY12	FY13	FY14	FY15
Actual	\$507	\$74	\$380			
Projections	\$155	\$87	\$332	\$100	\$100	\$100

*in millions of dollars

Factors Contributing to Current Performance

- Abundance of business resources and proactive business organizations
- Availability of incentive programs
- Improved service delivery to businesses
- Timely and varied business assistance

Factors Restricting Performance Improvement

- Depressed financial markets
- High cost of land/lease and development in the county

Performance Improvement Plan

Projections for this measure would be highly speculative. Investments by expanding companies in the county vary widely from year to year and depend on the specifics of each expansion project. Numbers provided above represent goals, rather than projections.

- Manage Strategic Accounts through relationship development and project support.
- Maintain a comprehensive database of County companies
- Develop and implement a business appreciation program
- Develop and implement a strategy to enhance technology transfer from County R&D facilities to the business community
- Conduct regular (quarterly) prospect/project meetings with Park and Planning Commission, DHCA, DPS, and Regional Services Center to identify significant prospect activities and provide unified and seamless support services to complete the prospect/project transactions.
- Prudently use the Executive Regulation on Strategic Economic Development Project to deliver improved client services.

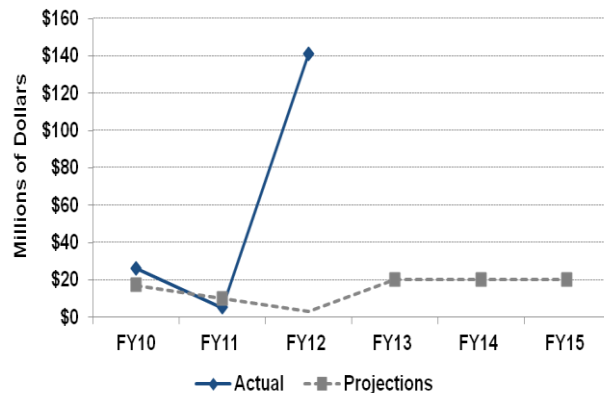


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Headline Performance Measure 5: Total New Capital Investment by New Business Attractions and Start-Ups through DED Involvement (in millions)

Performance Trends



	FY10	FY11	FY12	FY13	FY14	FY15
Actual	\$26	\$5	\$141			
Projections	\$17	\$10	\$3	\$20	\$20	\$20

*in millions of dollars

Factors Contributing to Current Performance

- See Measure 2
- Significant federal spending locally

Factors Restricting Performance Improvement

- Federal spending decrease
- Higher vacancy and lower lease rates of commercial properties in surrounding jurisdictions

Performance Improvement Plan

Future investments by attracted businesses cannot be predicted well as they depend on many variables outside of DED's influence, such as general economic situation in the country, specific growth plans of attracted companies, and location decisions of companies. Presented numbers are goals rather than projections.

DED is in the process of strengthening partnerships with federal laboratory groups and state/federal programs to enhance business opportunities for technology transfer and innovation to increase number of start-ups and attractions.

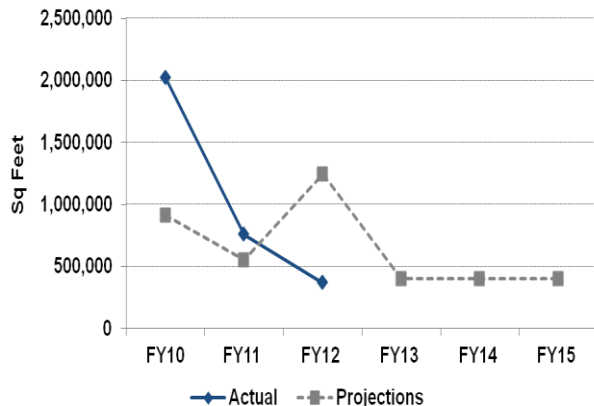


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Headline Performance Measure 6: Net New Commercial Space Occupied by Businesses Currently Located in the County through DED Involvement (sq. feet)

Performance Trends



	FY10	FY11	FY12	FY13	FY14	FY15
Actual	2,023,338	756,187	368,850			
Projections	913,679	551,680	1,244,717	400,000	400,000	400,000

Factors Contributing to Current Performance

- Abundance of business resources and proactive business organizations
- Availability of incentive programs
- Improvement in service delivery to business community
- Timely and varied business assistance

Factors Restricting Performance Improvement

- Economic condition of the country
- High cost of living and state tax structure for businesses
- Competitiveness of region's other jurisdictions in attracting businesses
- Limited staff capability to handle prospects

Performance Improvement Plan

Reliable projections are impossible, as net new commercial space by expanding businesses depends on the nature and scope of each expansion projects and is impossible to predict. Presented numbers are goals rather than projections.

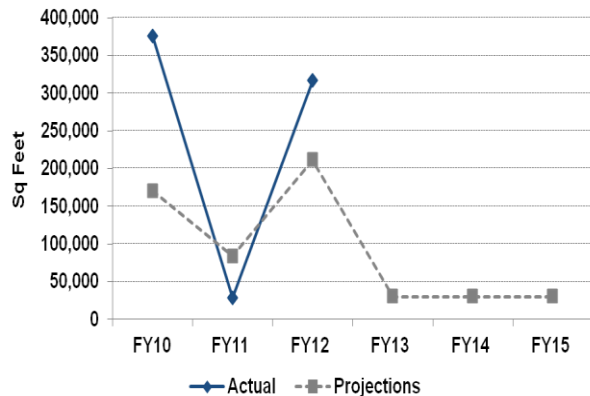


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Headline Performance Measure 7: Net New Commercial Space Occupied by Newly Attracted and Start-Up Businesses through DED Involvement (sq. feet)

Performance Trends



	FY10	FY11	FY12	FY13	FY14	FY15
Actual	376,000	28,484	316,457			
Projections	170,235	84,000	211,428	30,000	30,000	30,000

Factors Contributing to Current Performance

- Location advantages and high quality of life in the county
- Targeted attraction activities and marketing
- Emphasis on attraction of foreign direct investments

Factors Restricting Performance Improvement

- Limited marketing funds
- Scarcity of seed funding for early stage companies
- Lack of staff resources to court and carry prospects long-term
- Limited marketing funds

Performance Improvement Plan

Reliable projections are impossible, as net new commercial space by attracted businesses depends on the nature and scope of each attraction projects and is impossible to predict.

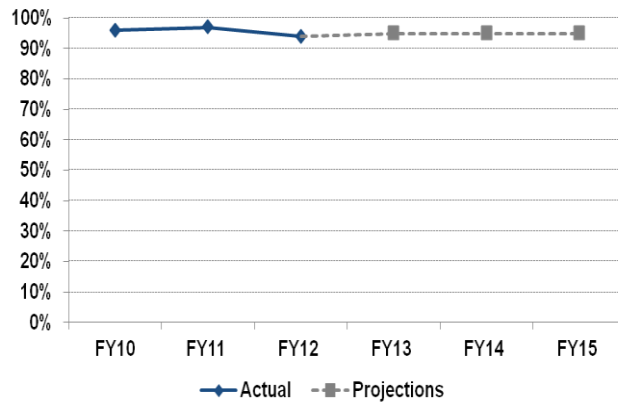


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Headline Performance Measure 8: Percent of Participants Satisfied with DED Sponsored Technical Assistance and Training Programs

Performance Trends



	FY10	FY11	FY12	FY13	FY14	FY15
Actual	96%	97%	94%			
Projections				95%	95%	95%

Factors Contributing to Current Performance

Having the ability to provide timely information in a clear and concise manner encourages businesses to attend our events.

Factors Restricting Performance Improvement

Only satisfaction for DED sponsored events is measured, while satisfaction rate for DED co-sponsored events may or may not be measured by our partners and other resource providers.

Performance Improvement Plan

- Use the results of the evaluations done following DED sponsored events to change/adapt training format and content to continue to meet the needs of the business community.
- Improve the rate of collection of surveys.
- Capture satisfaction rating for DED co-sponsored events

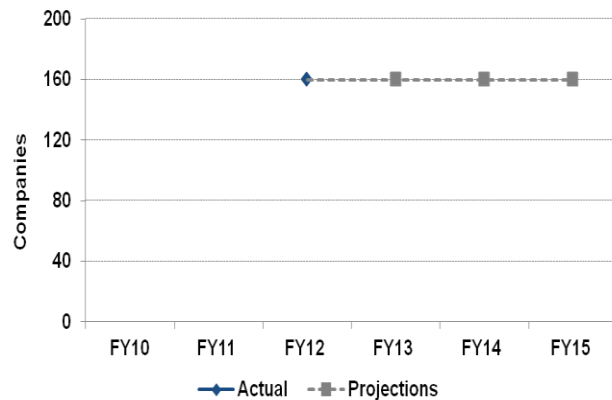


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*Proposed Performance Measure 9: Number of Companies that Received Business Assistance

Performance Trends



	FY10	FY11	FY12	FY13	FY14	FY15
Actual	N/A	N/A	160			
Projections				160	160	160

Factors Contributing to Current Performance

- Aggressive business visitation program

Factors Restricting Performance Improvement

- Limited staff
- Assistance often involves other county departments and point of contact and unified service delivery is not always clearly identified.

Performance Improvement Plan

This is a new measure that reflects the scope of DED's work with the local business community.

Continue developing clear unified system between all county departments for service delivery to the businesses.

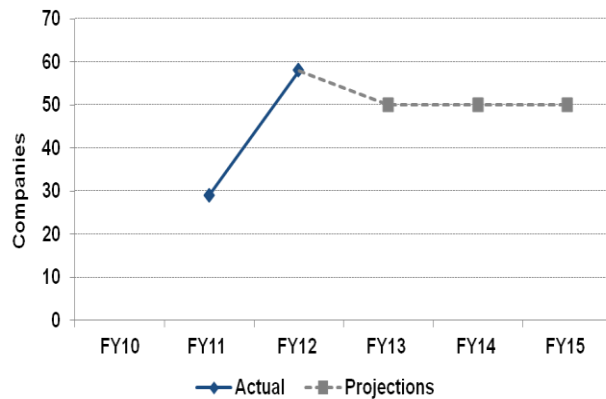


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***Proposed Performance Measure 10: Number of Companies that Received International/Export Business Assistance**

Performance Trends



	FY10	FY11	FY12	FY13	FY14	FY15
Actual	N/A	29	58			
Projections				50	50	50

Factors Contributing to Current Performance

- Increased numbers of companies interested in pursuing international opportunities
- Increased awareness among companies of DED services in global markets
- Partnerships with state/federal entities that provide services to exporters - USEAC, DBED (OIIT).
- Varied ethnic backgrounds of local business owners

Factors Restricting Performance Improvement

- Newness of the service
- Lack of awareness on the part of local companies that DED provides this type of assistance
- Lack of resources, staff time

Performance Improvement Plan

Continue working with the U.S. Department of Commerce to assist local businesses pursuing international opportunities. Conduct partnering events with Montgomery County Chamber of Commerce to foster international business.

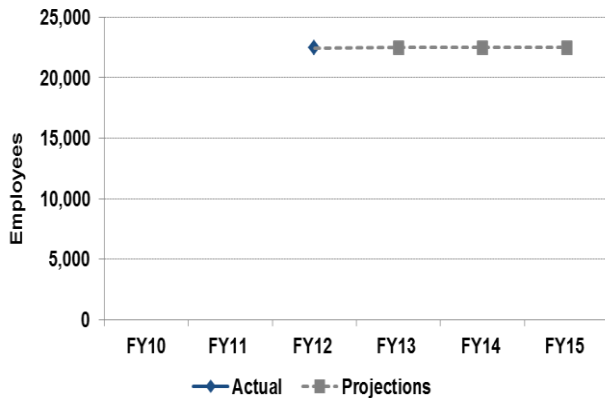


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*Proposed Performance Measure 11: Number of Employees at Companies Affected by DED Business Assistance

Performance Trends



	FY10	FY11	FY12	FY13	FY14	FY15
Actual	N/A	N/A	22,474			
Projections				22,500	22,500	22,500

Factors Contributing to Current Performance

- Aggressive outreach to companies of various sizes in the focus industry sectors

Factors Restricting Performance Improvement

- Necessary balancing between large companies that may have a significant economic impact and small companies, that don't have many employees, but are important to the county economy and require DED's assistance to be successful.

Performance Improvement Plan

This is a new measure designed to evaluate the impact of DED assistance. Since DED does not discriminate between businesses based on their size, the primary measure is the number of businesses assisted and the main goal is to increase that number, rather than the number of employees in the assisted businesses. At the same time, the number of employees at assisted companies provides a measure of relative significance of the assistance and demonstrates the magnitude of its impact.

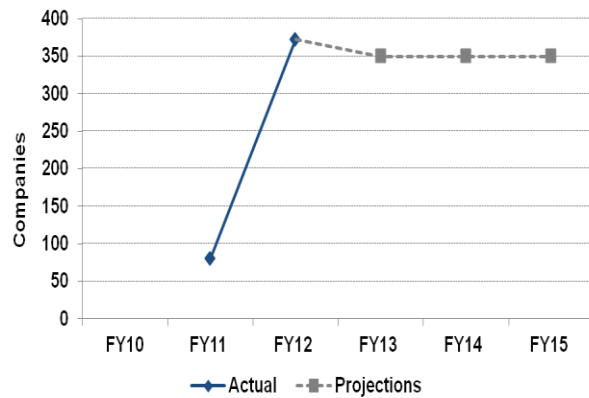


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***Proposed Performance Measure 12: Number of Business Assistance Engagements (each company may be assisted multiple times)**

Performance Trends



	FY10	FY11	FY12	FY13	FY14	FY15
Actual	N/A	80	372			
Projections				350	350	350

Factors Contributing to Current Performance

- Established relationships with companies
- Consistent business visitation program

Factors Restricting Performance Improvement

- Limited staff

Performance Improvement Plan

DED will continue to build upon its aggressive FY12 outreach program to local business. By augmenting the number of businesses that DED interacts with we will also raise the number of companies that receive various types of business assistance.

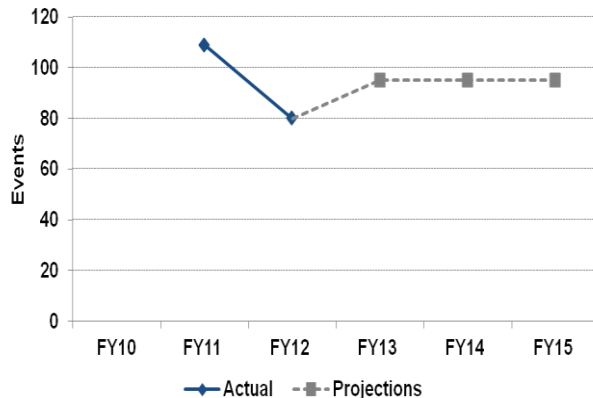


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***Proposed Performance Measure 13: Number of Technical Assistance Events and Training Sessions Organized by DED**

Performance Trends



	FY10	FY11	FY12	FY13	FY14	FY15
Actual	N/A	109	80			
Projections				95	95	95

Factors Contributing to Current Performance

DED's ability to co-sponsor and participate in events sponsored by other business organizations and resource givers allows us to reach a greater number of small businesses with limited staff.

Factors Restricting Performance Improvement

Limited funding available to co-sponsor and/or participate in outreach events held by others.

Performance Improvement Plan

With the planned addition of the Small Business Navigator position in FY13, extend our outreach efforts by identifying at least 20 additional resource partners and /or service providers that we can partner with for training events.

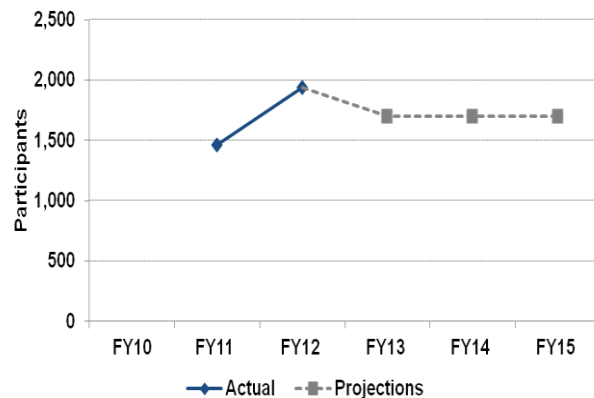


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*Proposed Performance Measure 14: Number of Participants in Technical Assistance and Training Programs

Performance Trends



	FY10	FY11	FY12	FY13	FY14	FY15
Actual	N/A	1,461	1,939			
Projections				1,700	1,700	1,700

Factors Contributing to Current Performance

- Continued identification of topics needed by small businesses to ensure good event attendance.
- DED sponsored events rarely carry an attendance fee.

Factors Restricting Performance Improvement

- Small business owners have limited time to attend technical assistance events.
- Lack of staff prohibits DED from offering trainings at various locations in the county.

Performance Improvement Plan

As a result of the work of the additional staff person, we will increase the number of technical assistance and training programs and therefore increase the number of participants.

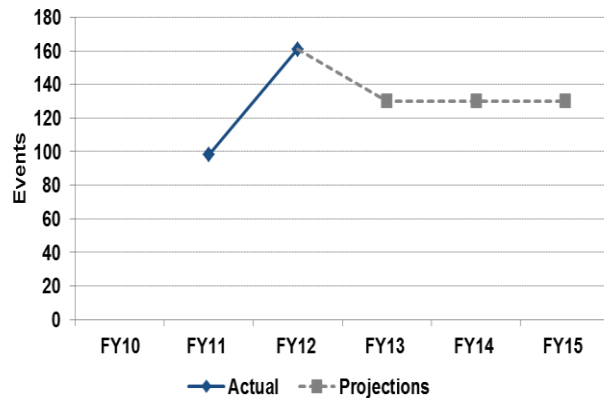


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*Proposed Performance Measure 15: Number of Events/Tradeshows where DED Actively Marketed the County

Performance Trends



	FY10	FY11	FY12	FY13	FY14	FY15
Actual	N/A	98	161			
Projections				130	130	130

Factors Contributing to Current Performance

As a recognized resource for small businesses DED receives numerous invitations to participate and exhibit in events/tradeshows. DED provides valuable support and networking services at events on behalf of participating businesses.

Factors Restricting Performance Improvement

Limited funds restrict the participation levels in events. We are therefore very selective in choosing the events we participate in.

Performance Improvement Plan

As we increase the number of training events we attend, at each event we will provide marketing materials to all participants on programs and services offered by the County.

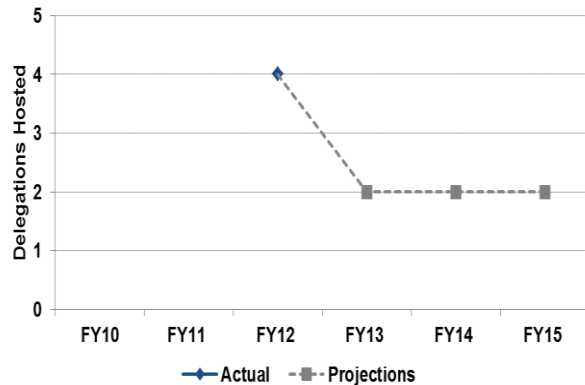


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*Proposed Performance Measure 16: Number of Foreign Delegations Hosted by DED

Performance Trends



	FY10	FY11	FY12	FY13	FY14	FY15
Actual	N/A	N/A	4			
Projections				2	2	2

Factors Contributing to Current Performance

- DED accepts requests to host foreign delegations on a limited basis – with priority given to groups comprised primarily of private sector entities.

Factors Restricting Performance Improvement

- DED does not seek hosting opportunities. The requests are received from the County Executive's office.
- Requests to receive foreign delegations are evaluated as they are received

Performance Improvement Plan

International delegations visiting Montgomery County are looking to learn as much as possible about the county and form a comprehensive view of the county assets. DED is often asked to host them, set up business meetings, and tour the incubator facilities. While hosting delegations often doesn't produce immediate measurable outcomes, it is an important long-term strategy to market the county internationally.

Requests to receive incoming foreign delegations are evaluated as they are received. DED accepts the requests on a limited basis -- with priority given to groups comprised primarily of private sector entities.

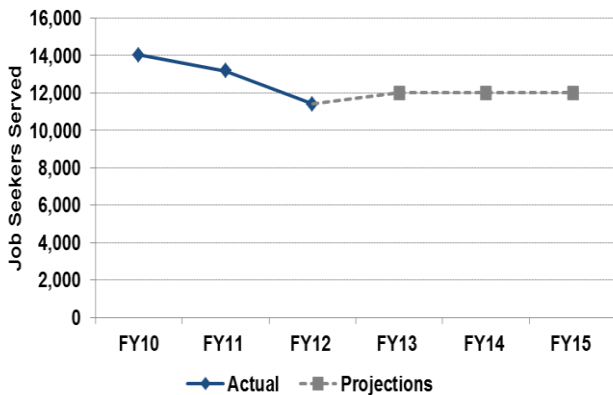


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*Proposed Performance Measure 17: Number of Job Seekers Served

Performance Trends



	FY10	FY11	FY12	FY13	FY14	FY15
Actual	14,019	13,176	11,409			
Projections				12,000	12,000	12,000

Factors Contributing to Current Performance

- Economic conditions
- Amount of federal allocation received

Factors Restricting Performance Improvement

- Unemployment rate
- Amount of federal allocation received

Performance Improvement Plan

It is impossible to provide forward projections, because Workforce Services' allocation changes from year to year as do economic conditions.

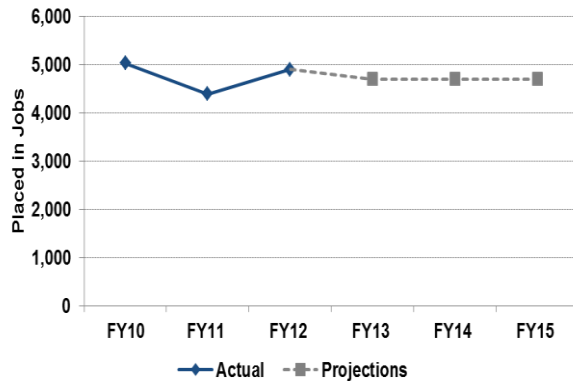


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*Proposed Performance Measure 18: Number of Job Seekers Placed in Jobs

Performance Trends



	FY10	FY11	FY12	FY13	FY14	FY15
Actual	5,025	4,393	4,898			
Projections				4,700	4,700	4,700

Factors Contributing to Current Performance

- Industry alliances help to target employer recruitments and forums.
- Variety of training workshops for job seekers
- Industry specific training programs in Professional Services, IT, Administration, Healthcare and others.
- Availability of discretionary grants

Factors Restricting Performance Improvement

- General state of the economy and employment trends

Performance Improvement Plan

The Workforce Investment Services is aiming to align all service delivery to industry needs. Based on high growth and high demand or high wages, Allied Health, Professional/Business Services, and Food Service/Hospitality will be targeted in the next few years. Workforce Investment Services will continue to provide industry specific training and job placement services to jobs seekers.

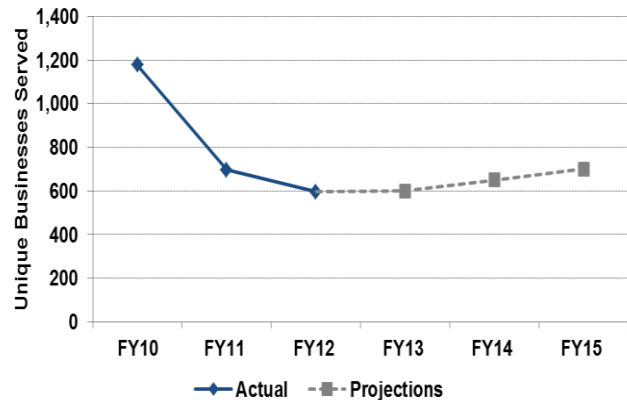


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*Proposed Performance Measure 19: Number of Unique Businesses Served

Performance Trends



	FY10	FY11	FY12	FY13	FY14	FY15
Actual	1,178	696	595			
Projections				600	650	700

Factors Contributing to Current Performance

- Established partnerships with HR teams of businesses
- Industry alliances with focus industries
- Extensive use of MD Workforce Exchange

Factors Restricting Performance Improvement

- Status of economy & hiring rates

Performance Improvement Plan

Develop new relationships with employers in the county, analyze how their workforce needs may be met through our services.

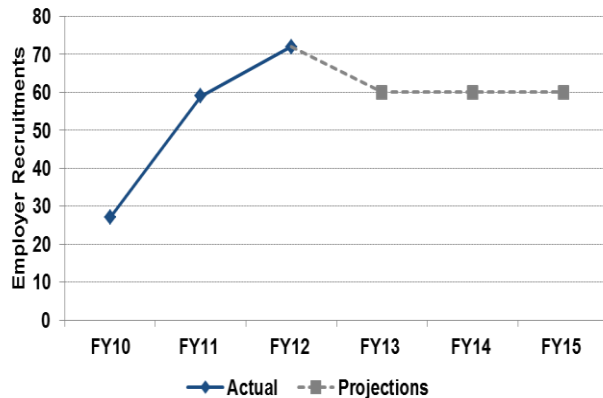


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*Proposed Performance Measure 20: Number of Employer Recruitments

Performance Trends



	FY10	FY11	FY12	FY13	FY14	FY15
Actual	27	59	72			
Projections				60	60	60

Factors Contributing to Current Performance

- Funding and staff availability

Factors Restricting Performance Improvement

- Funding and staff availability

Performance Improvement Plan

The Workforce Investment Services is aiming to align all service delivery to industry needs. Based on high growth and high demand or high wages, Allied Health, Professional/Business Services, and Food Service/Hospitality will be targeted in the next few years. As we continue building relationships with local employers in the focus industry sectors, we will provide recruitments based on the demand and needs of the employers.

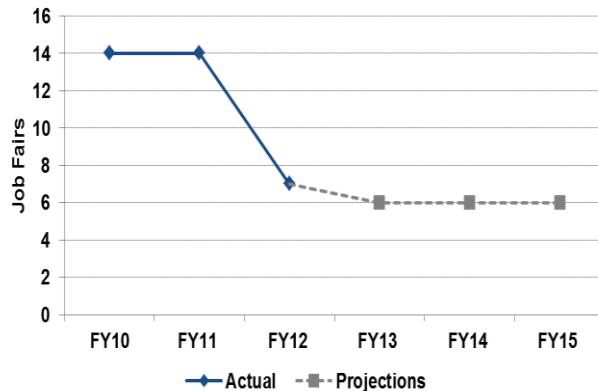


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*Proposed Performance Measure 21: Number of Job Fairs

Performance Trends



	FY10	FY11	FY12	FY13	FY14	FY15
Actual	14	14	7			
Projections				6	6	6

Factors Contributing to Current Performance

- Strong existing relationships with employers
- Successful past job fairs

Factors Restricting Performance Improvement

- Time and staff-intensive to organize
- Effectiveness for employers

Performance Improvement Plan

The Workforce Investment Services is aiming to align all service delivery to industry needs. Based on high growth and high demand or high wages, Allied Health, Professional/Business Services, and Food Service/Hospitality will be targeted in the next few years.

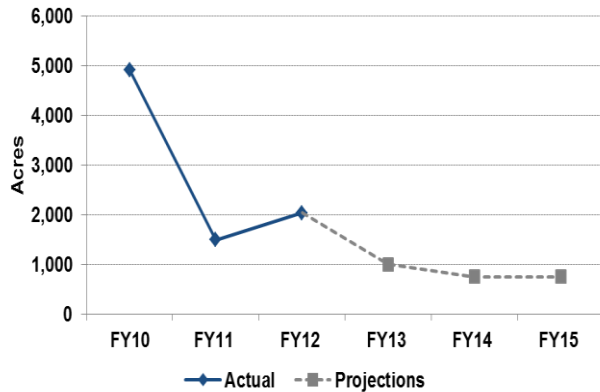


Montgomery County Department of Economic Development FY2012 Performance and Accountability Report



*Proposed Performance Measure 22: Acres of Land Under Easements Inspected

Performance Trends



	FY10	FY11	FY12	FY13	FY14	FY15
Actual	4,915	1,488	2,036			
Projections				1,000	750	750

Factors Contributing to Current Performance

- Increase participation in Agricultural Land Preservation Programs (BLT, MALPF and AEP)

Factors Restricting Performance Improvement

- Budget Reduction exercise leading to reduction of inspection staff from 1 FTE or Part time Contractual summer employee
- Increase of Agricultural Preservation Easement acquisitions from 153 acres in FY11 to 550 acres in FY12.

Performance Improvement Plan

DED Agricultural Services Division staff assigned to the County's Agricultural Land Preservation Programs was reduced from 2 FTE to 1.5 FTE during FY11. This has led to less available staff to run program (Easement Contracting and Acquisitions, Easement Services and Easement Stewardship (inspections) and Reporting Requirements. During FY12, the program's FTE was reduced from 1.5 FTE to 1.0 FTE which resulted from budgetary reduction mandate by the County Executive. This outcome led to DED Ag Services working with former employee through a temporary employment service to provide part time (summer employment) to help DED Ag Services with conducting easement inspections. It is unsure how much assistance or funding that will be available in FY13 and beyond for hiring temporary staff. It is presumed that this environment will account for less acreage that can inspected on an annual basis by the Program Administrator as time for conducting inspections must be split between other aspects and duties associated with the Agricultural Land Preservation Program. This means a greater overall workload for 1 FTE Program Administrator for the next FY as well as the foreseeable future. The Program Administrator will make it a priority to ensure that at a minimum 1,000 acres will be inspected in FY13 and 750 acres in both FY14 and FY15. Increased interest in the County's Building Lot Termination Program is projected to increase during FY14 and FY15.

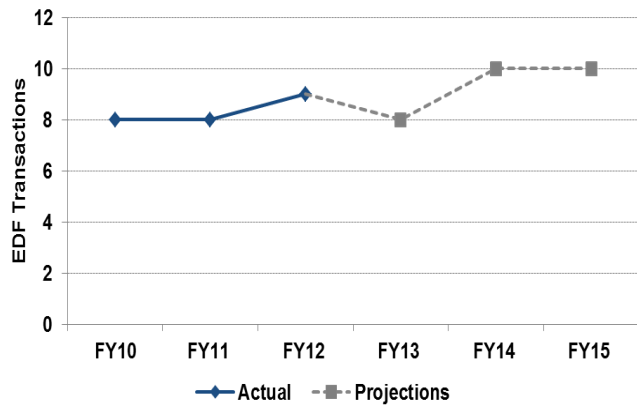


Montgomery County Department of Economic Development FY2012 Performance and Accountability Report



*Proposed Performance Measure 23: Number of EDF Transactions

Performance Trends



	FY10	FY11	FY12	FY13	FY14	FY15
Actual	8	8	9			
Projections				8	10	10

Factors Contributing to Current Performance

- EDF continues to play a vital role in business retention and attraction efforts
- EDF is used as an opportunity to leverage funding from the state and local jurisdictions
- Market driven, allows the county to compete with other jurisdictions.

Factors Restricting Performance Improvement

- Limited funding
- Competition with other states and jurisdictions
- High expectations of financial support from the applying companies

Performance Improvement Plan

- Enhance the performance monitoring and measurement efforts
- Leverage more funding from the state and other local resources
- More staff is recommended to be added in FY14 to support recommended performance and monitoring efforts.

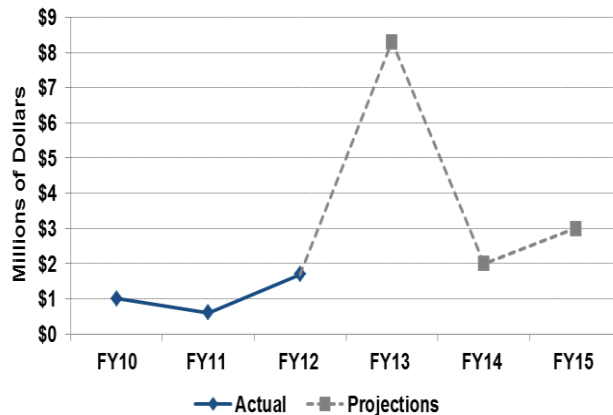


Montgomery County Department of Economic Development FY2012 Performance and Accountability Report



*Proposed Performance Measure 24: Total Value of EDF Transactions

Performance Trends



	FY10	FY11	FY12	FY13	FY14	FY15
Actual	\$1.01	\$0.60	\$1.69			
Projections				\$8.30	\$2.00	\$3.00

*in millions of dollars

Factors Contributing to Current Performance

- EDF continues to play a vital role in business retention and attraction efforts
- EDF is used as an opportunity to leverage funding from the state and local jurisdictions
- Market driven, allows the county to compete with other jurisdictions.

Factors Restricting Performance Improvement

- Limited funding
- Competition with other states and jurisdictions
- High expectations of financial support from the applying companies

Performance Improvement Plan

DED has been actively pursuing retention and attraction projects during FY12 despite limited resources available.

Office of Legislative Oversight's comprehensive review of the County's Economic Development Incentive Programs suggested enhancements of the performance monitoring and measurement efforts to capture statistical data on the percentage of recipient companies that satisfy job creation, retention and investment requirements stipulated in the EDF. An enhanced reporting system is currently being set up and the reporting will start in FY14.



Montgomery County Department of Economic Development FY2012 Performance and Accountability Report



Responsive and Sustainable Leadership:

Responsive and Sustainable Leadership has been the cornerstone of the County Executive's vision for Montgomery County government. To advance this vision, we have identified eight overarching goals for all County departments:

1) Effective and Productive Use of the Workforce/Resources:

Department actively works to effectively and productively use its workforce/resources, including, but not limited to, better management of overtime, implementation of productivity improvements, reduction of ongoing costs, and efficient use of other resources.

- a) *100% decrease in average overtime hours used by all approved positions (From 2.4 overtime hrs/position in FY11 to 0 in FY12) (Source: Department provides and CountyStat validates)*
- b) *XX% increase/decrease in average Net Annual Work hours worked by all approved positions (Source: data/information not available yet)*

2) Internal Controls and Risk Management:

Department actively assesses its internal control strengths, weaknesses, and risks regarding compliance with laws, regulations policies and stewardship over County assets. Department reviews and implements Internal Audit recommendations in a systematic and timely manner, and proactively manages risk pertaining to improving workplace safety, decreasing work-related injuries, and reducing County exposure to litigation.

- a) *XX% of X Audit report recommendations were fully implemented since issuance of the audit report (Source: Internal Audit will provide to CountyStat)*

There are no audit report recommendations for DED for FY12.
- b) *N/A – No work related injuries in FY11 or FY12.*



Montgomery County Department of Economic Development FY2012 Performance and Accountability Report



3) **Succession Planning:**

Department actively plans for changes in its workforce, in order to maintain continuity of services, develop staff capabilities, maintain and/or transfer knowledge, and enhance performance.

a) *List all the key positions/functions in your department that require succession planning
(Source: Department)*

Positions: Chief Operating Officer, Administrative Specialist II, Business Development Specialist III, Manager II (Division Chief of Special Projects)

b) *100%* of those identified key position/functions have developed and implemented long-term succession planning (Source: Department)*

*Note: 100% of positions have an informal succession planning process implemented

4) **Mandatory Employee Training:**

Department systematically monitors and actively enforces employees' mandatory and/or required trainings.

25% of department's employees who have fulfilled mandatory County/State/Federal training requirements (Source: Department)

The current county requirements on mandatory training are:

All Staff

LEP – taken once by new hires; Security Awareness (ISATP) – a computer based training courts taken by all County Employees within the first 3 months of employment ; Preventing Workplace Harassment – taken at hire then every 3 years (which is why I went back to 2010)

For Managers and Supervisors:

Interviewing and Selecting Employees; American's with Disability Act ; Don't Let it Happen to You – Workplace Violence; EEO/Diversity for Management – taken every 3 years; Introduction to Managing in a Union Environment;

Planning for Excellence: Performance Management Basics

Due to the staff shortage and extreme workloads, DED staff training mainly focused on Enterprise Resource Planning (ERP) system training as required by the County's migration to the ERP. Beginning in FY13, DED will carefully monitor its compliance with the mandatory training requirements, and if necessary, build in the requirement to the Performance Evaluation process of each employee.



Montgomery County Department of Economic Development FY2012 Performance and Accountability Report



5) Workforce Diversity and MFD Procurement:

Department actively participates in the recruitment of a diverse workforce and enforcement of MFD procurement requirements.

Workforce Diversity: refer to or attach summary yearly report prepared by OHR

(Source: Department provides and CountyStat validates)

	African Amer	Native Amer	White	Asian	Hispanic	Other
DTS	20.8%	8.3%	50.0%	12.5%	4.2%	4.2%

MFD Procurement: refer to or attach summary yearly report prepared by DGS

(Source: Department provides and CountyStat validates) ([Link](#) to report)

\$30,091 in total awards, which represents 21.43% of total actions and 14.25% of total dollars

6) Innovations:

Department actively seeks out and tests innovative new approaches, processes and technologies in a quantifiable, lean, entrepreneurial manner to improve performance and productivity.

Total number of innovative ideas/project currently in pipeline for your department, including the ones initiated in coordination with the Montgomery County Innovation Program. (Source: Department)

Expected (or achieved) return on investment for each of those innovative ideas/projects, quantified in terms of at least one of the following measures: increased effectiveness/efficiency, cost savings/avoidance, increased transparency/accountability, or increased customer satisfaction.

(Source: Department)

- Planning is underway to incorporate various business resource partners in the County to upload their business support programs and events in DED's webpage calendar directly to provide centralized event and program calendar to businesses. Expected full launch in mid-FY13.
- Fully integrated Data.com, an online directory of business contacts and account data (D&B.com) to the Department's prospect monitoring database. Data synchronization is done on a weekly basis. This allows the Department to have, by late FY13, most of the County's businesses that have URLs and/or emails in the database for broad circulations of eNewsletters, dissemination of general and special marketing messages.
- Created a Chief Science Officer (CSO) Course in collaboration with Montgomery College, Foundation for Advanced Education in the Sciences (FAES), Human Workflows, and the Federal Laboratories Consortium (FLC). This 45 hour boot camp provides the attendees with the tools, knowledge, and skills needed to move up the career ladder from research into scientific management and leadership in the federal, academic, or commercial management. This program is expected to produce the critical volume of upper level managerial candidates equipped with both the academic research background, and business acumen for the early-stage high tech companies in the County, often in dire needs of filling the CSO positions.



Montgomery County Department of Economic Development FY2012 Performance and Accountability Report



7) Collaborations and Partnerships:

Department actively participates in collaborations and partnerships with other departments to improve results beyond the scope of its own performance measures. Please only list accomplishments that had positive results for other department(s) as well.

a) Total \$\$ saved by through collaborations and partnerships with other departments

(Source: Department)

b) List your accomplishments and/or expected results

(Source: Department)

- Developed an MOU with the Federal Laboratory Consortium to facilitate more robust technology transfer from the bench to local businesses.
- Developed a partnership with the Rockville Women Business Center to deliver wider variety of business support services to women entrepreneurs.
- DED is working with the Department of General Services to expand the business participation in the Local Small Business Reserve Program (LSBRP), and promoting the use of LSBRP vendors to county's major employers and public school system.
- DED is working with the Department of Environmental Protection to promote the new Green Business Certification Program to County companies.
- DED is partnering with Department of Environmental Protection on Energy Block Grant, and Energy Efficiency and Conservation Plan Block grants to contain a workforce training component.

8) Environmental Stewardship:

Department actively makes appropriate changes to workplace operations, workflow, employee behavior, equipment use, and public interactions to increase energy-efficiency, reduce its environmental footprint, and implement other environmentally responsible practices.

a) 34.6% decrease in print and mail expenditures (Source: CountyStat)

b) 153.7 % increase in paper purchases (measured in total sheets of paper) (Source: CountyStat)

c) List your accomplishments and/or expected results (Source: Department)

- DED participates in the Montgomery County Green Business Certification Program.
- Interim steps towards certification that DED has already taken include:
 - Purchasing recycled paper goods (napkins, paper towels, printer paper)
 - Replacing disposable coffee and drinking cups with reusable mugs and drinking glasses
 - Replacing single-serving condiment packets (salt and pepper, sugar and artificial sweetener) with refillable dispensers
 - Recycling all allowable items
 - Making double-sided printing the default option on all office printers where possible
 - Encouraging staff to "think before they print"
 - Turning off office lights and computers during extended office absences
- Over the coming year, DED will work to meet all of the criteria necessary to attain certification and serve as a model for our private sector partners.